

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1549.
FILED, FEBRUARY 9th, 1967.

McWATTERS GOLD MINES, LIMITED

Full corporate name of Company
Incorporated under the Canada Corporations Act by Letters Patent
dated November 16, 1932

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous
Filing Statement No. 1209.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	The Company has purchased for investment during the period from October 24, 1966 to February 6, 1967, 400,000 shares of Lorado Uranium Mines Limited at a cost of \$417,129.00 (see Item 17). The Company proposes to submit such transaction to its shareholders for confirmation at the Annual and General Meeting to be held in June, 1967.
2. Head office address and any other office address.	Suite 509, 25 Adelaide Street West, Toronto 1, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President & Director: G. D. PATTISON, R. R. No. 2, Aurora, Ontario. Corporate Secretary and Mining Executive. Vice-President & Director: S. A. PERRY, Apt. 712, 1 Benvenuto Place, Toronto 7, Ontario. Corporate Secretary and Mining Executive. Secretary-Treasurer & Director: R. D. BELL, 7 Hi Mount Drive, Willowdale, Ont. Corporate Secretary and Mining Executive. Assistant Secretary-Treasurer: W. E. ESSERY, 9 Tennis Cresc., Toronto 6, Ontario. Chartered Accountant. Director: HARLOW H. WRIGHT, 105 St. Leonard's Avenue, Toronto 12, Ontario. Mining Engineer. Director: W. W. WEBER, 1 Stratheden Road, Toronto 12, Ontario. Consulting Geologist.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: \$5,000,000 divided into 5,000,000 shares of no par value. Issued and outstanding: 4,282,506 shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Not applicable
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Not applicable
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company intends to perform sufficient additional diamond drilling on its 54 mining claims located in Langmuir Township, Porcupine Mining Division, Ontario, to satisfy assessment work requirements to bring the claims to lease. The estimated cost of bringing the claims to lease, including the diamond drilling, cost of boundary survey, etc. is \$20,000.00.

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10. Brief statement of company's chief development work during past year.

During the past year the Company conducted an exploration program consisting of geophysical surveys and 5,231 feet of diamond drilling in 15 holes on 71 unpatented mining claims located in Carman Township, Porcupine Mining Division, Ontario, held under option from M & M Porcupine Gold Mines Limited by agreement dated June 16, 1965. The drilling indicated sulphide mineralization but no economic values were obtained. The Company exercised its option under the said agreement and caused a new company, Tavane Exploration Limited, to acquire the said claims for a consideration of 1,018,000 of its shares which were issued as follows:

	<u>Free Shares</u>	<u>Escrowed Shares</u>	<u>Total</u>
McWatters Gold Mines, Limited	34,208	575,879	610,087
M & M Porcupine Gold Mines Limited	<u>40,792</u>	<u>367,121</u>	<u>407,913</u>
	<u>75,000</u>	<u>943,000</u>	<u>1,018,000</u>

By agreement dated January 14, 1966 between the Company and Frank Hodgkinson the Company acquired for a consideration of \$2,000.00 cash the option exercisable by January 15, 1969 to acquire 22 unpatented mining claims located in Eldorado Township, Porcupine Mining Division, Ontario. To exercise the option the Company is required to cause the incorporation of a new company to acquire the said claims and cause the new company to issue in consideration therefor 300,000 shares of its capital stock (90% in escrow). The said 22 mining claims are located near the claims held by the Company in Langmuir Township. During the past year magnetic and electromagnetic surveys were conducted on the optioned claims but no further work is planned at this time.

11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.

See Item 17.

12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.

See Item 17.

13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.

None

14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)

Not applicable

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.

<u>Registered Holder</u>	<u>No. of Shares</u>	<u>Beneficial Owner</u>
Draper Dobie & Company Ltd., Toronto	1,683,675	see note
Doherty Roadhouse & McCuaig Bros. "	210,830	not known
Roy Barker, Geraldton, Ontario	218,500	" "
James Richardson & Sons, Winnipeg	103,950	" "
Davidson & Company, Toronto	77,650	" "
<u>Note:</u> Consolidated Mogul Mines Limited, Toronto, is the beneficial owner of 272,500 shares. The Company is informed that Dobieco Limited, Toronto, is the beneficial owner of 905,800 shares.		

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.

No person or persons have holdings large enough to materially affect control of the Company. However, Dobieco Limited and Consolidated Mogul Mines Limited may be in a position to materially affect control if they are able to obtain sufficient proxies from other shareholders.

FINANCIAL STATEMENTS

McWATTERS GOLD MINES, LIMITED
(Incorporated under the Companies Act of Ontario)

BALANCE SHEET

January 31, 1967

- ASSETS -

Current assets:

Cash	52,364.86	
Government of Canada bonds, at cost (quoted market price \$43,875.00) . . .	50,000.00	
Short term investments	925,000.00	
Interest bearing deposit with broker .	132,794.13	
Accounts receivable	<u>1,250.00</u>	1,161,408.99

Investment in and advances to other mining companies:

Shares at cost (quoted market price \$395,620.00) . .	469,706.81	
Shares, at nominal value	<u>3.00</u>	469,709.81
Advances - Tavane Exploration Limited .		<u>3,840.81</u>
		473,550.62

Property and related expenditures:

54 unpatented mining claims staked by the company in Langmuir Township, Ontario, at cost, including exploration costs of \$164,484.54	166,253.20	
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40 unpatented mining claims staked by the company in the Territory of Abitibi, Quebec, at cost, including exploration costs at \$27,833.08	30,233.08	
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Option 22 mining claims, Township of Eldorado, Ontario, including exploration costs of \$4,159.40	<u>6,159.40</u>	<u>202,645.68</u>
		\$1,837,605.29

- LIABILITIES -

Current liabilities:

Accounts payable	752.83
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Shareholders' equity:

Capital stock:		
Authorized, 5,000,000 shares of no par value		
Issued and fully paid		
1,025,000 shares for property	110,000.00	
3,257,506 shares for cash	<u>1,567,170.04</u>	
4,282,506	<u>1,677,170.04</u>	
Surplus	<u>159,682.37</u>	<u>1,836,852.41</u>
		\$1,837,605.29

APPROVED:

 Director

 Director

McWATTERS GOLD MINES LIMITED

STATEMENT OF INCOME

For the thirteen month period ended January 31, 1967

Revenue

Interest earned 67,249.23

Deduct

Administration

Directors' fees	2,000.00	
Stock transfer expense	526.14	
Head office administration	10,000.00	
Postage, telephone, telegraph	53.40	
Stationery	46.13	
Government fees	730.00	
Audit	250.00	
Annual report	1,398.55	
General	<u>252.76</u>	15,256.98

General exploration

Research fees	6,500.00	
Staking	254.94	
Consulting	275.00	
General	<u>226.50</u>	<u>7,256.44</u>

22,513.42

Profit for period \$44,735.81

STATEMENT OF SURPLUS

For the thirteen month period ended January 31, 1967

Profit for period 44,735.81

Profit on sale of investments 124,547.00 169,282.81

Deduct

Mining claims abandoned, Township 1408, Quebec 1,200.00

Advances, Cotley Mines Limited, written off 200.00

Deficit, December 31, 1965 8,200.44 9,600.44

Surplus, January 31, 1967 \$159,682.37

McWATERS GOLD MINES, LIMITED

STATEMENT OF EXPLORATION AND DEVELOPMENT EXPENDITURES

For the thirteen month period ended January 31, 1967

	<u>Balance</u> <u>December 31, 1965</u>	<u>Expenditure</u> <u>for</u> <u>period</u>	<u>Balance</u> <u>January 31, 1967</u>
<u>Langmuir Township, Ontario</u>			
Survey	8,975.00		8,975.00
Linecutting	2,830.00		2,830.00
Consulting	21,615.79		21,615.79
Diamond drilling	104,922.11		104,922.11
Assays	7,995.37		7,995.37
Supplies, transportation, wages and general	<u>17,939.27</u>	<u>207.00</u>	<u>18,146.27</u>
	<u>164,277.54</u>	<u>207.00</u>	<u>164,484.54</u>
<u>Territory of Abitibi, Quebec</u>			
Survey	2,822.40		2,822.40
Linecutting	2,498.50		2,498.50
Consulting	2,959.58		2,959.58
Diamond drilling	14,198.55		14,198.55
Assays	367.00		367.00
Supplies, transportation, wages and general	<u>4,747.05</u>	<u>240.00</u>	<u>4,987.05</u>
	<u>27,593.08</u>	<u>240.00</u>	<u>27,833.08</u>
<u>Carman Township, Ontario</u>			
Survey	4,350.00	4,205.00	8,555.00
Linecutting	4,315.00	301.00	4,616.00
Consulting		5,094.49	5,094.49
Diamond drilling		28,947.92	28,947.92
Assays		316.46	316.46
Supplies, transportation, wages and general		<u>2,212.82</u>	<u>2,212.82</u>
	8,665.50	41,077.69	49,743.19
Transferred to investment in Tavana Exploration Limited	<u>-</u>	<u>49,743.19</u>	<u>49,743.19</u>
	8,665.50	(8,665.50)	-
<u>Eldorado Township, Ontario</u>			
Government fee	-	248.00	248.00
Surveys	<u>-</u>	<u>3,784.90</u>	<u>3,784.90</u>
	-	4,159.40	4,159.40
	<u>\$200,536.12</u>	<u>(\$4,059.10)</u>	<u>\$196,477.02</u>

McWATERS GOLD MINES, LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the thirteen month period ended January 31, 1967

Source of funds

Interest earned	67,249.23	
Proceeds from sale of investments . . .	<u>124,650.00</u>	191,899.23

Application of funds

Administration		15,256.93	
Development expenditures:			
Langmuir Townships	207.00		
Territory of Abitibi	240.00		
Carman Township	41,077.69		
Eldorado Township	4,159.40		
General	<u>7,256.44</u>	52,940.53	
Purchase of shares in a mining company		404,638.00	
Advances to Cotley Mines Limited . . .		200.00	
Advances to Tavane Exploration Limited		3,840.81	
Option on mining claims, Eldorado Township		<u>2,000.00</u>	478,876.32

Decrease in working capital \$286,977.09

Decrease in working capital consists of:

Working capital as at December 31, 1965			
Cash		250,335.41	
Government of Canada bonds		50,000.00	
Interest bearing deposit with broker		856,090.31	
Accounts receivable		2,488.20	
Advances to The International Helium Company Limited		<u>300,000.00</u>	
		1,458,913.92	
Less: Accounts payable and accrued liabilities		<u>11,280.72</u>	1,447,633.20

Reversal

Working capital as at January 31, 1967			
Cash		52,364.86	
Government of Canada bonds		50,000.00	
Short term investments		925,000.00	
Interest bearing deposit with broker		132,794.13	
Accounts receivable		<u>1,250.00</u>	
		1,161,408.99	
Less: Accounts payable and accrued liabilities		<u>752.88</u>	1,160,656.11

\$286,977.09

APPROVED: _____

Director


Director

C E R T I F I C A T E

We hereby certify that the only material changes in the balance sheet of McWATTERS GOLD MINES, LIMITED, since January 31, 1967, are as follows:

- 1) Investment in shares of other mining companies at cost in the amount of \$469,706.81 as at January 31, 1967 has increased to \$482,197.81 representing the purchase of 12,200 shares of Lorado Uranium Mines Limited during the period from February 1, to February 6, 1967, at a cost of \$12,491.00.
- 2) The interest bearing deposit with broker in the amount of \$132,794.13 as at January 31, 1967 has been withdrawn and such funds are now on deposit with a chartered bank.

DATED at Toronto, Ontario, this 11th day of April, 1967.



Director



Director

17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Market Value													
	No. of Shares	Book Value February 8, 1967												
	543,500	Cotley Mines Limited 1.00 -												
	55,862	Lake Osu Mines Limited 15,325.62 9,497.00												
	400,000	Lorado Uranium Mines Limited (see note) 417,129.00 384,000.00												
	228,933	Mudlac Gold Mines Limited 1.00 -												
	25,000	Ottawan Explorations Limited 1.00 -												
	610,087	Tavane Exploration Limited 49,743.19 -												
	\$50,000	p.a. Government of Canada 4 1/2% Bonds due Sept. 1/83 50,000.00 43,875.00												
<p>Note: The purchase of Lorado shares was made on the open market during the period from October 24, 1966 to February 6, 1967 through Draper Dobie & Company Ltd., as brokers. To the best of the Company's knowledge, the sellers of the said shares were as follows:</p> <table> <tr> <th></th><th>No. of Shares</th><th>Cost</th></tr> <tr> <td>Dobieco Limited</td><td>300,000</td><td>311,750.00</td></tr> <tr> <td>Various small blocks, sellers unknown</td><td>100,000</td><td>105,379.00</td></tr> <tr> <td></td><td>400,000</td><td>\$ 417,129.00</td></tr> </table> <p>The Company is informed that the 300,000 shares of Lorado sold by Dobieco Limited were acquired by Dobieco Limited through Draper Dobie & Company Ltd., as brokers, on the open market during the period from March 1, 1966 to January 17, 1967 at a cost of \$376,601.00.</p> <p>Mr. D. W. Knight is the President and a Director of Consolidated Mogul Mines Limited and owns a greater than 5% interest in Dobieco Limited. As stated in Item 16 both these companies may be in a position to materially affect control of the Company. Messrs. G. D. Pattison and S. A. Perry, Directors of the Company, are also Directors of Consolidated Mogul Mines Limited and Lorado Uranium Mines Limited. Mr. R. D. Bell, a Director of the Company, is also a Director of Consolidated Mogul Mines Limited. Mr. Harlow H. Wright, a Director of the Company, is also a Director of Lorado Uranium Mines Limited.</p>				No. of Shares	Cost	Dobieco Limited	300,000	311,750.00	Various small blocks, sellers unknown	100,000	105,379.00		400,000	\$ 417,129.00
	No. of Shares	Cost												
Dobieco Limited	300,000	311,750.00												
Various small blocks, sellers unknown	100,000	105,379.00												
	400,000	\$ 417,129.00												
18. Brief statement of any lawsuits pending or in process against company or its properties.	<p>Ownership of the Company's 54 mining claims in Langmuir Township is under dispute. Under date of May 31, 1962 the Company and Quebec Manitou Mines Limited (hereinafter referred to as Manitou) agreed to share equally all staking, exploration and development costs incurred on these claims. In the event that either company did not contribute its full one-half share of such costs, the respective interests of the companies would be adjusted to the same ratio as their respective contributions with the provision that either company's interest could not be reduced to less than 10%.</p> <p>As at December 31, 1963 Manitou had contributed only \$6,586 of its one-half share which amounted to \$31,386 thereby reducing its interest in the claims to approximately 10%. Under the agreement Manitou would have the right to reinstate its interest to 50% by reimbursing the Company for all amounts paid on account of Manitou's share of exploration costs and expenses plus a penalty of 50% of all such amounts. Accordingly, Manitou would have been required to make a payment to the Company of approximately \$37,000 to reinstate its interest of 50% at December 31, 1963.</p> <p>Before commencing further exploration work in 1964 the Company asked Manitou if it intended to make the required payment of \$37,000. Manitou stated that it was unable to do so and simultaneously the Company offered to repay to Manitou its contributions to date if the latter would relinquish its interest in the claims. Certain officials of Manitou verbally agreed to this and accordingly the Company asserts its right to full ownership of the claims, and the exploration and development costs as at December 31, 1963 were restated to give effect to this verbal agreement. Manitou denies any such verbal agreement and has instituted legal action to have its interest, if any resolved. The Company is prepared to defend any such action.</p>													
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None													
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>The shares of the Company are not now in the course of primary distribution to the public.</p> <p>There are no other material facts.</p>													

DATED February 8, 1967.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

McWATTERS GOLD MINES, LIMITED
CORPORATE SEAL
"G.D. Pattison" By: _____ Director
"R.D. Bell" _____ Director

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)